

## Message Text

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ORIGIN XMB-04

INFO OCT-01 AF-06 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 /051 R

66607

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----- 114870

R 151722Z OCT 75

FM SECSTATE WASHDC

TO AMEMBASSY LUSAKA

C O N F I D E N T I A L STATE 244740

E.O. 11652: N/A

TAGS: EGEN

SUBJECT: TIKA STEEL MILL APPLICATION TO EXIMBANK

REF: (A) STATE 227457 (B) LUSAKA 1906

1. REF. B. CONTAINS FOLLOWING THREE POINTS ON WHICH EXIM HOLDS  
DIFFERING VIEWS:

A. RE PARA. 5, EXIM HAS ALWAYS CONSIDERED WEAKEST AREA OF  
AUGUST 1973 SWINDELL-DRESSLER (SD) PRESENTATION ON TIKA TO BE  
ECONOMIC JUSTIFICATION. IT HAS BEEN RECOGNIZED FROM START THAT  
SD COULD CONSTRUCT MILL AND THAT IT HAD EXCLUSIVE RIGHT TO HYL  
PROCESS. KUHN, LOEB AND MANY ON GRZ SIDE APPRECIATE  
THAT OLD STUDY MUST BE STRENGTHENED AS THIS INFORMATION IN HAND  
WHEN EXIM DENIED CASE IN OCTOBER 1973.

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B. RE PARA. 6, EXIM HAS NEVER HINTED SD POORLY QUALIFIED TECHNICALLY

.  
EXIM HAS WORKDED WITH SD ON NUMEROUS OTHER TRANSACTIONS AND CONSIDERS FIRM WELL CAPABLE OF CONSTRUCTING MILL. THIS, HOWEVER, SHOULD NOT BE CONFUSED WITH EXIM'S SUGGESTION IN SEPT. 5 LETTER TO GOV. KUWANI THAT IT WOULD BE HELPFUL TO HAVE AN OPERATING STEEL COMPANY INVOLVED IN EARLY STAGES OF FEASIBILITY STUDY IN ORDER TO GIVE PARTY RESPONSIBLE FOR ULTIMATE OPERATION OPPORTUNITY TO BE IN ON GROUND FLOOR.

C. RE PARA. 8, TIKa APPLICATION COVERS DOLS 35.6 MILLION O FUS COSTS RATHER THAN DOLS 4.0 MILLION MAKING IT LARGEST ZAMBIAN CASE EVER PRESENTED TO EXIMBANK.

2. AT THIS POINT EXIM FINDS IT HARD TO GO BEYOND AREAS REQUESTED TO BE COVERED IN FEASIBILITY STUDY (SEPT. 5 LETTER) AND POSITIVE SENTIMENTS EXPRESSED IN REF. A. ANY APPLICANT MUST DEMONSTRATE ECONOMIC, FINANCIAL, AND TECHNICAL FEASIBILITY OF TRANSACTION; AND IN THIS CASE, HISTORY OF PREVIOUS DENIAL WOULD ARGUE FOR VERY THOROUGH JUSTIFICATION AT THIS TIME. EXIM DOES NOT RPT NOT HAVE PRECONCEIVED IDEA OF NEW DENIAL FOR TIKa PROJECT, BUT IS ONLY REQUESTING APPLICANT TO PROVE UP CASE AND PROVIDING GUIDANCE TO ASSIST IN THIS EFFORT. INGERSOLL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BANK LOANS, STEEL PLANTS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 OCT 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE244740  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** XMB:J.W. LENTZ:NL  
**Enclosure:** DG ALTERED  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750358-0552  
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**Image Path:**  
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**Line Count:** 83  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN XMB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 227457, 75 LUSAKA 1906  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <02 SEP 2003 by CunninFX>; APPROVED <17 DEC 2003 by ShawDG>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TIKA STEEL MILL APPLICATION TO EXIMBANK  
**TAGS:** EGEN, ZA, XMB, TIKA STEEL  
**To:** LUSAKA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006